Preserve
12.4.60

App. F. IX-4

Previous References
L.B. 107-21-Sh 14, 15, 16, 17 & 18

1937.
(L.B.)

File No. 103-37
Serial Nos. 1, 2

Letter References
L B 9-38 Sh 3 & 4
L B 9 — 1 to 2

GENERAL AND REVENUE SECRETARIAT.

Serial Nos. 2nd

Part B for June 38

SUBJECT.

waiving the payment of the annual Ry cess
collections that is now being made over to the
Ry Govt in connection with the construction
of the Shimoga - Arasalu Ry Line

Sl 2) To the Govt, Dt Bd, Shimoga
No. L. 10079 dy 17. 6. 38

WD 0295—GPB—22,500—13-8-37

Stating that the request of the
Dt Bd, cannot be complied with

25-6-38

Serial No.	
1	Letter No C. 260/ WB 37-38 dated 7-3-38 from the President, Dt Board, Shimoga soliciting sanction, in the circumstances explained, to the resolution of the Dt Board that Govt be requested to waive the payment of Railway cess collections that is now being made over to the Railway Department temporarily -
	In G.O. No L 4763-75/ WB 101-21-18 dated 22-1-1927, orders were passed about the resumption of work on the Shimoga — Arasalu Railway line. Kind attention is invited to para 5 of the above G.O. laying down the conditions, subject to which the construction of the Shimoga — Arasalu Railway line would be taken up. Conditions 3 & 4 state that the future annual collections of railway cess will be utilised for meeting the interest charges and deficit in the revenue account of the railway and that the annual railway cess collections should be placed at the disposal of Govt for a period of 25 years
	According to this order, the Shimoga

NOTE—Contn. Sheet.

WD 0284—GPB—30,000—13-8-37

L608

WB File No. 103 of 1937. | General and Revenue Secretariat

Dr Board has been paying to Govt the annual railway cess collections amounting to Rs 29,000. and this amount will have to be paid every year till the year 1952.

3 The Dr Board now represents that it has got to build two bridges across the river Kumudavathi and to execute other public works such as the construction of roads etc and that it has no money to find funds for these works. The Dr Board therefore requests that the railway cess collections may be made available for expenditure by the Dr Board instead of being paid to Govt

4 Submitted for orders. It is true that the trainees of the Dr Board are dead and it requires funds for carrying out public works. The Railway Secretariat may perhaps be consulted.

Rmm 25/3 (Sd) Lalry L. J. S)

2/26/3/-

Govt

mm 26/3 2/26/3/-

26 MAR 1937 GOVT. OF MYSORE

Serial No.

6) To the Railway Secretariat for favour of remarks.

Rmr 26/3 Asst 27/3/37

RAILWAY SECTT: No. R-S.49 Date 28.3.37

MMS 28/3

7) The Construction work of the Shimoga-Arasalu Railway was started on the District Board of Shimoga having agreed to transfer to Government, unconditionally the accumulated Railway cess amount in addition to the loan raised by them, without laying claim to any proprietory rigal in the line.

flag W (Mor Side)

8) In accordance with para 5 (4) of G. O. no: L. 4763-75/LB. 101-21-18 of 22-1-1923 the Condition of placing the proceeds of the annual railway cess at the disposal of Government for meeting deficit in the revenue account, will have to Continue for 25 years i.e., like the year 1952.

—do—

9) The District Board of Shimoga represented during the year 1934 that the interest on the railway cess Collections in the District, handed over to the

NOTE—Contn. Sheet.

WD 0284—GPB—30,000—13-8-37

the Railway Department year after year might be allotted to meet the Cost of the District fund works. The Auditor G. S. Ry., who was Consulted in the matter Stated that both the Cess Collections and the net earnings were quite inadequate to meet the interest on Capital & that So long as the net earnings and Cess Collections are below the interest on Capital the District Board's request for the diversion of the amount of interest for other purposes was not reasonable. A

10. The President District Board Shimoga was informed accordingly by the Development Secy, in his letter no: L. 3088 / L. B. 36-34-5 & 30-10-1934.

11. The position has not improved to any appreciable extent & besides, there is an idea of extending the Railway to Talaguppe, for the Construction of which, heavy Capital will have to be found by Government. F

12. The request of the President for waiving the Condition referred to in

flag O (other side)

Serial No.

in para 6 of the letter under disposal would, therefore, appear impracticable.

Subd:
29/3

13) Ascertain from the Auditor the position as regards 'A' in note above for the period since 1934 upto date.

NDA
30/3

14) Draft submitted for favour of approval.

APPO
NDA
31/3

Subd:
31/3

15) Issued vide letter no: 2460 of 31-3-1938.

flag y

16) Letter no: B. B. 1730 of 24-5-1938 from the Auditor, M. S. Ry., Re. Cess collections in the Shimoga District.

— to S

17. The Auditor, M. S. Ry, who was consulted, states, that, as will be seen from the statement enclosed, there is no improvement in the financial position of the Shimoga-Sagara Railway, but on the other hand

WD 1220—GPB—3,000—4-2-38

owing

owing to the subsequent extension of the line to Anandapuram and Sagara, there has been an increase in the Capital investment by Government from year to year, involving increase in the liability for interest charges.

DEWAN'S OFFICE
28 MAY 1938
No. 8226

18. As the amount of net earnings and Cess Collections have not shown any tendency to improve, with the result that the deficit representing excess of interest on the Capital over the net earnings and Railway Cess Collections Combined, is going up from year to year, the Auditor Considers that the request of the District Board to waive payment of its Cess Collections to Government, may not be complied with, inasmuchas the Government have made over to bear interest on the debenture loan of Rs 3,71,156, in addition to losing heavily on account of unrealised interest on its Own Capital of nearly 34½ lakhs.

19/ Subd: with reference to para 4 of Notes.

SD 26/5 — 26/5

27/5/38

Ry: Secy) The request of the District Board cannot be complied with.

Down)

RAILWAY SECTT: No. 634/2304 Date 28.5.38

RAILWAY SECTT: No. Date 30.5.38

29/5

29/5 — 31/5

31/5

29/5

29/5/38

4508
2

OFFICE OF THE PRESIDENT,
District Board & Local Education Authority,
SHIMOGA DISTRICT.

No. C.260/L.B.37-38.
Enc 1

Dated the 7th March 1938

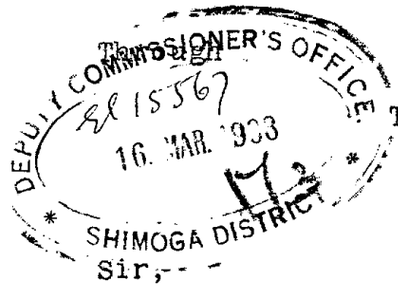
LB103-37-1

Form

K. H. HALAPPA, Esq., B. A.,
President, District Board &
Local Education Authority, Shimoga.

To

P.H. Krishna Rao, Esq., M.A.,
Secretary to the Government of Mysore,
Local Self-Government Department,
BANGALORE.



The Deputy Commissioner,
Shimoga District,
Shimoga.

Sir,--

I have the honour to state that representations were made to the Dewan Sahib during his recent Tour in this District on 12-2-1938 to kindly reconsider and waive the condition agreed upon by the District Board in respect of making over to Government, the Railway Cess Collections for a period of 25 years in connection with the resuming of the construction of Shimoga-Arasalu Railway Line, vide G.O.No. L. 4763-75/L.B. 101-21-18 dated 22nd Janaury 1927, in view of the poor financial situation of the Board and its inability to undertake any kind of urgent improvement works in the District which are very badly needed, such as construction of Culverts and Bridges, Roads of communication in the interior, providing Drinking Water Wells for about 400 villages etc., for want of funds and the Dewan Sahib was pleased to state that the question will be duly considered if the District Board approach the Government in the matter.

2 In this connection I would like to state that the District Board, Shimoga, has paid to Government in advance a lumpsum amount of Rs.3,71,150-1-5 being the loan amount collected and another sum

of

of Rs.4,21,096-1-9 being the accumulated Cess Collections made up to 12-6-1928. Subsequent cess collections are also being paid up till now as they are collected every year which amounts at an average of about Rs.29,000/- per annum.

3 According to the conditions agreed upon by the Board, the Government will retain the proprietory right over the Railway line and no share of the profit will be given to the District Board.

4 Since the District Board has been denied the privilege of having a share of profit in the concern and the proprietory right over the line though it has borne a good proportionate share of the construction charges to the extent of about eight lakhs of rupees and is continuing to pay the cess revenue up to date which aggregates to Rs.2,80,974-5-6, the Government with due regard to the bargain thus effected will kindly consider now at this stage the deplorable financial situation of the Board which has thus deprived a revenue of about Rs,29,000/- a year and show a special concession by kindly waiving the payment of further realisations of the Railway Cess revenue referred to above and leave it to the District Board for utilising the same solely for the purpose of improving the road communication in the interior of the District and construction of bridges etc., as the line in question has been completed.

5 The Dewan Sahib has recently instructed during his Tour in this District that a bridge to the River Kumadvati between Shikarpur and Salur (which is roughly estimated to cost about Rs.30,000/-) and another bridge across Kumadvati River between Arasalu and Konandur, should be constructed as early as possible. Besides the formation of certain new roads, sinking of new wells and several other improvement works have also been suggested. The District Board is not in a position to finance the above projects nor to undertake any new schemes which are very badly needed in this District

Under

4508
2

6 Under the circumstance, I request that Government may kindly be moved in the matter of showing some concession to this District Board by waiving the condition agreed upon by the District Board in respect of paying the Railway Cess Collections for a period of 25 years by kindly considering the facts represented above, so that, this District Board may also have the privilege of undertaking some more urgent and important public improvement works in this District also just like other Boards who have the benefit of utilising the Railway Cess revenue for improvement works.

A copy of the Resolution passed by the District Board at its meeting held on 17th February 1938 is enclosed herewith for favour of kind perusal.

I have the honour to be,
Sir,
Your most obedient servant,

K. H. Halli
President,
District Board, Shimoga.

D.M.

Memo

Forwarded with compliments.

Rcd on 23.3.38.

M Venkatesh
Deputy Commissioner,
Shimoga Dist.

16/3/38

Proceedings of the Third Ordinary Meeting of the District Board and Local Education Authority, Shimoga, held on Thursday, the 17th February 1938 in the District Board Office, Shimoga.

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x x x x

35. By Mr. H. Paramasiviah:-

RESOLUTION.

(2) Resolved that the Government be requested to waive the payment of Railway Cess that is being paid temporarily to the Railway Department by the Board.

Resolution:- Resolved to recommend to the Government for favourable consideration and orders.

x x x x

Sd/- K.H. HALAPPA,

President,
District Board, Shimoga.

"Extract"

K.H. Halappa

President,
District Board, Shimoga.

SUBJECT Railway Cess Collections in the Shimoga District.

208

Diary No. of letter replied to.....

Railway Secretariat.

Date of issue ..... P.D.D

Signed by .....

List of enclosures ...one letter.....

Copied by .....

Examined by .....

No. 2460. Dt. 31.3.38.

To

The Auditor, M.S.Ry;

Mysore,

Sir,

I am directed to forward herewith a copy of letter no: C. 260/2/B. 37-38 dt 7 3/38 addressed by the President, Dist. Board, Shimoga to the Secy; to Govt. Local & Self Govt. Depn. in the matter of waiving of the Condition agreed upon by the District Board in respect of making over to Govt, the railway Cess Collections for a period of 25 years, and to invite in this Connection, a reference to your note

note of 27-9-1934 stating that so long as the net earnings and cess collections are below the interest on Capital, the amount of the cess collections should not be diverted for other purposes.

2. I am to request that you will be so good as to furnish the [illegible] financial position of the Shimoga - Sagara Railway for the period since 1934 up to date and also offer your remarks on the request of the President Shimoga district Board, made in his letter of 7-3-1938.

I have etc.,

for Secy to Govt of Mysore

31/3.

31/3

Issued Rr. vide R.S. no. 2590, Dt. 20-4-38.

Issued another Rr. vide R.S. No. 2833, Dt. 24-5-38. (not issued)

MYSORE STATE RAILWAY

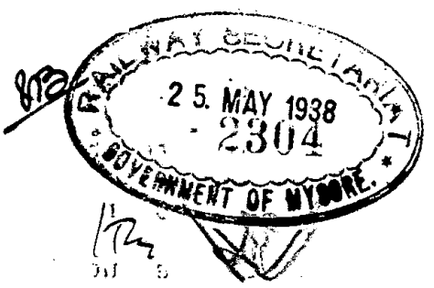
All communications should be addressed to the Auditor, Mysore State Railway, Mysore By TITLE, not By NAME

Tel. Address:-" RAIL AUDIT "
Telephone No. 240.

AUDIT OFFICE,
Mysore, 24th May 1938.

B.B. 1730
No. /Fl.

Enc. one.



To

The Secretary to the Government of
His Highness the Maharaja of Mysore,
Railway Department,
Bangalore.

Sir,

Railway Cess Collections in the Shimoga District.

.....

With reference to your letter No. R.S. 2460 dated 31st March 1938 calling for my remarks on the request of the President of the Shimoga District Board in the matter of waiving the conditions agreed upon by the District Board in respect of making over to Government the District Board's Railway Cess Collections for a period of 25 years, I have the honour to state that as may be seen from the enclosed statement, there is no improvement in the financial position of the S.A.S. Railway since submitting this office note dated 27-9-1934. On the other hand owing to the subsequent extension of the line up to Anandapuram and Sagara there is an increase in the Capital investment by Government from year to year involving increase in the liability for interest charges, while the amount of net Earnings and Cess Collections have not shown any tendency to improve, with the result that the deficit representing excess of interest on the Capital over the net Earnings and Railway Cess Collections combined, is going up from year to year. I am, therefore, of opinion that the request of the District Board to waive payment of its Cess Collections to Government may not be complied with, in the interest of Government as they have not only to bear the interest on the District Board's Debenture Loan of Rs.3,71,156/- taken over by it, but are also losing heavily on account of unrealised interest on its other

Capital of nearly 34½ lakhs.

As regards the District Board's plea that it has paid to Government in advance the Debenture loan amount collected by it and the accumulated Cess Collections up to a particular period aggregating about 7½ lakhs towards the cost of construction of the Railway though it is denied the privilege of having a share of the profits in the concern and the proprietory right over the line and so its request at this stage deserves consideration, it has to be stated that in view of the fact that the Debenture loan has been taken over by Government with the liability for payment of interest charges thereon to the debenture holders and the primary object of levy of the Railway Cess is the promotion of Construction of Railways, there does not seem to be much force in the District Board's argument.

I have the honour to be,

Sir,

Your most obedient servant,

M. Viswanatha

Auditor.

KRR.

Year.	Gross Earnings.	Working Expenses.	Net Earnings.	Amount of Railway Cess remitted by the District Board.	Total amount available for meeting interest on Capital outlay Cols. 4 & 5.	Interest on Capital.	Excess of interest not covered by Net Earnings and Cess Collections.
1	2	3	4	5	6	7	8.
1934-35.	48,358.	41,608.	6,750.	29,324.	36,074.	1,66,965.	-1,30,891.
1935-36.	57,600	48,981.	8,619.	18,797.	27,416.	1,76,997	-1,49,581.
1936-37.	70,040	59,999	10,041.	29,367.	39,408.	1,95,798.	-1,56,390.

M. Venkatagiriah

Auditor, Mysore State Railway.

KRR.

24/5/38

Appendix F G—1]

SUBJECT.....

.....

.....

Diary No. of letter replied to .....

General and Revenue Secretariat

( )

the *193*

Date of issue.... 17-6-38

Signed by .....

List of enclosures.....

Copied by.....

Examined by .....

Section LB

File No. 103-37

Serial No. 2

No. L/10079

To

The President, Dt Bd, Shimoga

(through the D.C)

Sir,

With reference to your letter No. C. 260/LB 37-38 dated 7-3-38 soliciting sanction, in the circumstances explained, to the resolution of the Dt Bd that Govt be requested to waive the ~~the~~ annual payment of Railway cess collections that is now being made over to the Railway Department in connection with the construction of the Shimoga-Arasalu Ry Line, I am

directed to state that the request of the Dt Bd cannot be complied with.

J. Laine-Cte

fm
9635

Secy Dty

2/8/61 Rcvd

Memorial 10080
17-6-38

w/e

Copy to the Auditor, M.S. Ry, Mysore with reference to his letter No. BB. 1730 dated 24-5-38.

Ry adv

2/11/61
Secy Dty

copy to the Ry Secretariat

GOVERNMENT OF HIS HIGHNESS THE MAHARAJA OF MYSORE

General and Revenue Secretariat

Dated, Bangalore, 17th June 1938.

No. L 10079/L.B.103-37-2

From

The *Secretary to the Government of His Highness the Maharaja of Mysore,*
Local Self-Government Department.

To

The President,
District Board, Shimoga.
(through the Deputy Commissioner)

Sir,

With reference to your letter No.C.260/L.B.37-38 dated 7th March 1938 soliciting sanction, in the circumstances explained, to the resolution of the District Board that Government be requested to waive the payment of the annual Railway cess collections that is now being made over to the Railway Department in connection with the construction of the Shimoga- Arasalu Railway Line, I am directed to state that the request of the District Board cannot be complied with.

I have the honor to be,

Sir,

Your most obedient servant,

Sd/- A.H.Krishna Rao
Secretary to Government
L.S.G.Department.

cn/4

Memo No. L / 10080

Copy of the above is forwarded with compliments to the Auditor, Mysore State Railways, Mysore with reference to his letter No.BB 1730 dated 24th May 1938.

By Order,

Sd/- Sajan Kumar
For Secretary to Government
L.S.G.Department.

Rmr